

INSIGHTS

108th Congress
June 23, 2003

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Weekly Summary

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INSIGHTS is prepared expressly for the Department of Energy's Office of Federal Energy Management Programs (FEMP). The purpose of *INSIGHTS* is to provide FEMP management staff with timely information on legislative activities relevant to the program. *INSIGHTS* is prepared for FEMP by Energetics, Incorporated, (202) 479-2748.

I. WEEKLY SUMMARY

CONGRESSIONAL SCHEDULE

House

This week, House activities include the following topics of interest:

- Committee on Appropriations will mark up *H.R.* __ *FY 2004 Appropriations for Interior and Related Agencies.*
- Committee on Resources will examine the use of Federal lands as a source of energy.

Senate

This week, Senate activities include the following topics of interest:

- ➤ Committee on Appropriations will mark up of S. _ FY 2004 Appropriations for Military Construction.
- ➤ Committee on Government Affairs will hold a hearing to examine the need for Federal real property reform, focusing on deteriorating buildings and wasted opportunities.
- ➤ Committee on Governmental Reform will hold a confirmation hearing on the nomination of Joshua Bolten, President Bush's Deputy Chief of Staff.

Conference Committees/Votes

S. 14 – Energy Policy Act of 2003 The Senate has postponed further consideration of this bill until late July.

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II. COMMITTEE ACTIVITY

HOUSE

Hearings

No hearings of interest to report.

Legislation

FY 2004 Appropriations Last week, Bill Young (R/FL), Chair of the Committee on Appropriations, announced his plans to complete the mark up of all FY 2004 appropriations bills prior to the August Congressional recess.

FY 2004 Appropriations for Homeland Security (\$29.4 billion) On June 12, the Committee on Appropriations marked up and approved this bill, which includes building and construction accounts for the Coast Guard and other Federal agencies. Funding details have not yet been released.

FY 2004 Appropriations for Agriculture, Food and Drug Administration, and Related Agencies (\$17.005 billion) On June 18, the Subcommittee on Agriculture, Food and Drug Administration, and Related Agencies marked up this bill, which is now pending a full committee mark up. Funding details have not been released for the building and facility construction and renovation accounts for the Department of Agriculture and the Food and Drug Administration. However, \$23 million was deleted from the bill, which was intended to support the Energy Efficiency Loan and Grant Program to encourage farmers to improve the operation of their facilities.

FY 2004 Appropriations for Interior and Related Agencies (\$19.6 billion) The Subcommittee on Interior and Related Agencies marked up this bill on June 18. The bill provides funding for the Department of Energy's Energy Efficiency Programs, including FEMP and the building and facility construction accounts for the National Park Service and other Department of Interior programs. Limited information on funding of interest has been revealed:

National Park Service

- Operations and Maintenance \$1.6 billion (\$87 million was appropriated in FY 2003)
- Backlog Maintenance \$682 million (\$655 million was appropriated in FY 2003)

National Forest Service

• Backlog Maintenance - \$47 million

FY 2004 Military Construction Appropriations (\$19.9 billion) On June 17, the Committee on Appropriations marked up FY 2004 Appropriations for Military Construction. The bill is \$1.5 billion below the FY 2003 appropriated level and \$41 million below the President's FY 2004 budget request. The bill includes the following provisions of interest:

<u>Military Construction Projects</u> - \$4.8 billion (\$5.98 billion was appropriated in FY 2003) and includes:

- ➤ Barracks \$1.2 billion (\$1.2 billion was appropriated in FY 2003)
- > Child Development Centers \$16 million (\$18 million was appropriated in FY 2003)
- > Hospital and Medical Facilities \$176 million (\$151 million was appropriated in FY 2003)
- ➤ Guard and Reserve Components \$465 million (\$688 million was appropriated in FY 2003)

Family Housing – \$3.9 billion (\$4.2 billion was appropriated in FY 2003) and includes:

- Family Housing Units and Improvements to Existing Units \$1.2 billion (\$1.3 billion was appropriated in FY 2003)
- Operation and Maintenance of Existing Units \$2.7 billion (\$2.9 billion was appropriated in FY 2003)

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FY 2004 Appropriations for the Labor, Health and Human Services, and Education (138.04 billion)

On June 18, the Subcommittee on Labor, Health and Human Services, and Education completed and approved a mark up of this bill. Funding details have not been released regarding the building and facility construction accounts for the Departments of Labor and Health and Human Services. A full committee mark up is scheduled for June 25.

FY 2004 Defense Appropriations On June 18 the Subcommittee on Defense marked up and approved this bill, which includes funding for Departmental construction and energy efficiency projects. Funding details have yet to be released.

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SENATE

Hearings

Legislation

Comprehensive Energy Legislation The Senate is not expected to resume consideration of S. 14 – Energy Policy Act of 2003, until the third or last week of July. Other high-priority issues such as Medicare have dominated Senate attention. However, Pete Domenici (R/NM), Chair of the Committee on Energy and Natural Resources, last week warned members that if the Senate does not approve S. 14, including pending amendments before the scheduled August 4 month-long Congressional recess, the Senate will be kept in session to complete debate and vote on the.

Also last week, Chairman Domenici spoke with the energy media about his plans to meet next month with Secretary Spencer Abraham and White House staff about the energy budget. He expressed concern about the level of effort required to pass comprehensive energy legislation, noting that "substantial" additional funding will be required to fund the bill.

Federal Energy Regulatory Commission (FERC) Standard Market Design Senators Richard Shelby (R/AL) and Trent Lott (R/MS) reportedly will use the delay in floor consideration of S.14 - The Energy Policy Act of 2003, to issue a proposal to push back until 2008, implementation of FERC's Standard Market Design (SMD). The proposed SMD would standardize electric transmission with national guidelines. The Senate bill's current language restricts FERC from executing the plan until 2005. The two senators are also expected to propose an amendment in July requiring utilities to participate in Regional Transmission Organizations (RTO) on a voluntary basis. These actions may indicate a legislative shift toward supporting state controlled transmission markets rather than a larger, Federally controlled market. Regulatory commissions in Southern states have expressed concern that their low utility rates may be jeopardized if forced to join an RTO; by joining an RTO, utilities might be required to purchase power at higher rates in order to subsidize electric consumers in other regions. Recently, nine Southern states passed a resolution rejecting the SMD and RTO design, while regulators from Massachusetts, Michigan, Pennsylvania, and New Jersey told Congress that failing to engage SMD could impair efforts to deregulate energy markets in their states.

III. STATUS OF FY 2004 APPROPRIATIONS BILLS

(In Millions)

HOUSE

SENATE

Jurisdiction/ FY 2004 Budget Request	302(b) Allocations / Approved Funding Level	Bill No.	Full Cmte.	Floor	Conf.	302(b) Allocations /Approved Funding Level (New)	Bill No.	Full Cmte.	Floor	Conf.
Agriculture 17,141	17,005					17,005				
Commerce 37,685	37,914					37,014				
Defense 371,698	368,662					368,662				
Energy and Water Development 26,946	27,080					27,313				
Homeland Security 27,481	28,521		6/12			28,521				
Interior 19,552	19,627		6/25			19,627				
Labor / HHS 137,990	138,046					137,601		6/26		
Military Construction 9,237	9,196		6/17			9,196		6/26		
Transportation and Treasury 27,802	27,502					27,502				
VA/HUD 89,434	90,034					90,034				

Red Italics = scheduled date

IV. NEW LEGISLATION

(Note: Once a new bill is introduced, the Government Printing Office generally requires from several days to one week to make the bill available in print)

See detailed provisions for all bills at: thomas.loc.gov

HOUSE

Number		Short title	Date	Sponsor	Status
H.R.	2459	United States Consensus Council Act of 2003	6/12/03	Dennis Rehberg (R/MT)	Referred to the House Committee on Government Reform
		Establish a U.S. Consensus Council to provide a consensus-building process to address national public policy issues. The purpose of an independent, nonprofit, national council is to produce consensus on policy issues of national importance through a collaborative processes.			

SENATE

No new bills of interest have been introduced.

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V. ADMINISTRATION INITIATIVES

Search for a New EPA Administrator The Administration is reportedly seriously considering Idaho Governor Dirk Kempthorne (R) to replace outgoing Christine Whitman as Administrator of the Environmental Protection Agency (EPA). Ms. Whitman is scheduled to leave office on June 27. Governor Kempthorne, who served as a U.S. Senator from 1993–1998, has received support from both Republicans and Democrats on his potential nomination. Senator Susan Collins (R/ME) said, "Based on what I know of him personally, I think he'd be a good choice." Senator Ron Wyden (D/OR) applauded Mr. Kempthorne for advocating Endangered Species Act reform legislation during his tenure as a Senator and believes the Governor would advocate similar environmental positions and appropriately "handle the question of ensuring state flexibility without gutting key programs."

VI. HEARINGS SCHEDULE

HOUSE - COMMITTEE ON APPROPRIATIONS

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/ Location
June 25 - Committee on Appropriations (Tentative)	Bill Young (R/FL)	Mark Up - FY 2004 Appropriations on Interior and Related Agencies	N/A	TBA Room 2359 Rayburn Office Building
(NEW)				

HOUSE - AUTHORIZATIONS/OVERSIGHT

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/ Location
June 24 - Subcommittee on	Barbara Cubin	Hearing - Current impediments to the	PANEL I	10:00 a.m. Room 1324
Energy and Mineral Resources	(R/WY)	development of energy on Federal lands.	Rebecca Watson, Assistant Secretary of	Longworth Office Building
(Committee on Resources)			the Interior for Land and Minerals	
(NEW)			Management	
(1.277)			<u>PANEL II</u>	
			Jeffrey Eppink, Advanced Resources	
			International, Inc.; Art	
			Johnson, Hydrate	
			Energy International; Deborah Knopman,	
			RAND; and Dru	
			Bower, Petroleum	
			Association of	
			Wyoming	

SENATE - COMMITTEE ON APPROPRIATIONS

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/ Location
June 25 - Subcommittee on Labor, Health and	Arlen Spectre (R/PA)	Mark Up - FY 2004 Appropriations for the Departments of Labor,	N/A	9:30 a.m. Room 124 Dirksen Office

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/ Location
Human Services, and Education		Health and Human Services, and Education		Building
(NEW)				
June 26 – Committee on Appropriations (NEW)	Arlen Spectre (R/PA)	Mark Up - FY 2004 Appropriations for the Departments of Labor, Health and Human Services, and Education	N/A	2:00 p.m. Room 124 Dirksen Office Building
June 26 – Committee on Appropriations (NEW)	Ted Stevens (R/AK))	Mark Up - FY 2004 Appropriations for Military Construction	N/A	2:00 p.m. Room 124 Dirksen Office Building

SENATE – AUTHORIZATIONS/OVERSIGHT

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/ Location
June 25 -	Susan	Confirmation	Joshua Bolten,	9:30 a.m.
Committee on	Collins	Hearing - New	nominee	Room 342
Governmental	(R/ME)	Director of the Office		Dirksen Office
Affairs		of Management and		Building
		Budget		
(NEW)				
June 26 -	Susan	Hearing - Examination	TBA	9:30 a.m.
Committee on	Collins	of the need for Federal		Room 342
Governmental	(R/ME)	real property reform,		Dirksen Office
Affairs		focusing on		Building
		deteriorating buildings		
(NEW)		and wasted		
		opportunities		

CONFERENCE COMMITTEE NEGOTIATIONS/FLOOR VOTES

Date and Action Item	Topic	Location
Mid- to Late - July (bill is put on	Floor Consideration and Voting	U.S. Capitol
hold to address other pressing	- S. 14 – Energy Policy Act of	
legislative issues) (Update)	2003 proposed amendments	